



**Interlocal Agreement
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 13
AGENDA DATE: Mon 09/12/2005
PAGE: 1 of 2**

SUBJECT: Authorize negotiation and execution of a Renewal and Second Amendment to the Interlocal Agreement with the Travis County Hospital District ("Hospital District") for the continued operation by the City of the community health clinic system, and continued management by the City of the Hospital District's medical assistance programs, charity care programs and certain health care contracts, and related matters.

AMOUNT & SOURCE OF FUNDING: Payment from City of Austin Interlocal Agreement with Travis County Hospital District.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Financial and **DIRECTOR'S**
DEPARTMENT: Administrative Services **AUTHORIZATION:**

FOR MORE INFORMATION CONTACT: John Stephens, Chief Financial Officer, 974-2076

PRIOR COUNCIL ACTION:

8/04/05 Council authorized negotiation and execution of First Amendment to Interlocal with the Hospital District

9/13/04 Council authorized negotiation and execution of the Interlocal Agreement with the Hospital District.

8/02/04 Travis County Hospital District Board of Managers qualified and began service.

5/25/04 Travis County Commissioners Court canvassed the votes creating the Hospital District

5/15/04 Travis County voters approved the creation of the Travis County Hospital District.

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: N/A

In May of 2004, the Travis County voters approved the creation of the Travis County Hospital District. The Hospital District assumed ownership of Brackenridge Hospital, assumed responsibility for funding and providing medical and hospital care for indigent and needy persons within Travis County and is authorized to levy property taxes in an amount up to 25 cents on each \$100 of the taxable value of property taxable by the district.

To facilitate the transfer of operations and assets to the Hospital District without a disruption in those operations or in the continuity of care for clinic patients, and to comply with legal requirements for the transfers of funds and assets to the Hospital District, the City and the Hospital District entered into an

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Disposition:

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interlocal agreement at the beginning of the fiscal year that is just now ending. In that agreement, the City, at the Hospital District's request, agreed that if the Hospital District provided the funding the City would continue for another fiscal year to manage the clinics and certain programs of the Hospital District related to indigent care. The Hospital District was successful in establishing its tax collection mechanism, has paid the City all amounts owed to date, and does have funding for the upcoming fiscal year to pay the City for services in that year. Therefore, the City is committed to providing the services for the upcoming fiscal year.

This item requests Council approval for negotiation and execution of a Renewal and Second Amendment of the Interlocal Agreement with the Hospital District ("Renewal") under which the City would continue to operate the community health clinic system and manage the Hospital District's medical assistance programs in fiscal year 2006. The Hospital District would pay the City an amount equal to \$45,084,126.00 in Service Operating Payments and these funds would be paid in monthly amounts of \$3,757,010.50.

The Renewal also addresses the possible increase in the support fees charged by Communications and Technology Management for computer support provided to the Hospital District, the pre-existing agreement to transfer the remaining unspent appropriation of the City's Community Care Services Department CIP budget (\$2,071,000) to the Hospital District at the termination of the interlocal agreement, and the transfer of any assets purchased through the Community Care Services CIP Budget, but not yet transferred to the district.

The services to be provided will begin on October 1, 2005, for a one year term, which term may be extended by mutual agreement.